

IN THE INCOME TAX APPELLATE TRIBUNAL
HYDERABAD BENCH "A-SMC", HYDERABAD

BEFORE SHRI A. MOHAN ALANKAMONY,
ACCOUNTANT MEMBER

ITA No.1145 & 1146/Hyd/2019		
Assessment Year:2015-16 & 2016-17		
Dwaraka Peoples Livelihoods Upliftment Society Dwaraka Plus, Chittoor District-517001. PAN: AABTD 2658 L	Vs.	Income Tax Officer, Exemptions Ward, Income Tax Office, Near SBI Tilak Road Branch, K.T. Road, Tirupathi, Chittoor Dist.
(Appellant)		(Respondent)
Assessee by:	Smt. S. Sandhya	
Revenue by:	Sri Sunil Kumar Pandey, DR	
Date of hearing:	04/03/2020	
Date of pronouncement:	24/06/2020	

ORDER

These two appeals are filed by the assessee against the orders of the Ld. CIT (A), Tirupati in order Nos. ITBA/APL/S/250/2019-20/1016363363(1) & ITBA/APL/S/250/2019-20/1016363375(1) dated 15/06/2019 passed U/s. 250 of the Act for the AYs 2015-16 and 2016-17.

2. The assessee has raised identical ground for both the Assessment Years by stating that the Ld. CIT (A) has erred in confirming the order of the Ld. AO who had made addition of Rs. 10,49,675/-, 10,84,264/-

for the AY 2015-16 and 2016-17 respectively by disallowing the claim of expenditure incurred towards incentive paid to rural women artisans.

3. The brief facts of the case are that the assessee is a society engaged in rendering charitable activities filed its return of income for the AY 2015-16 on 13/3/2017 and for the AY 2016-17 on 30/09/2016 disclosing NIL income after claiming exemption U/s. 11 of the Act. The case was selected under scrutiny under CASS and the assessment orders were passed for the AY 2015-16, 2016-17 on 15/12/2017 and 21/12/2018 respectively wherein the Ld. AO disallowed the expenditure claimed under the head 'support-community development' for Rs. 10,49,675/- & Rs. 10,84,264/- for the AY 2015-16 and 2016-17 respectively. The Ld. AO had made such addition because the assessee was not able to furnish cogent evidence and details for the expenditure incurred. The Ld. AO also made observation that the assessee is not entitled to the claim the exemption U/s. 11 of the Act because the aggregate receipt from the activities of the society exceeded Rs. 25 lakhs. On appeal, the Ld. CIT (A) confirmed the order of the Ld. AO for both the AYs because even before him the assessee has not furnished any evidence to controvert the findings given by the Ld. AO.

4. At the outset, the Ld. AR submitted before us that one more opportunity may be provided to the assessee in order to furnish the requisite details sought for by the Ld. Revenue Authorities. The Ld. AR

further submitted that the assessee is a charitable organisation and its main objects is to help poor and downtrodden artisans and the addition made and sustained by the ld. Revenue Authorities will be too harsh on the assessee. The Ld. AR further assured that the assessee is now in possession of all the necessary particulars to explain the genuineness of the expenditure incurred. The Ld. DR on the other hand vehemently opposed to the submission of the Ld. AR and argued by stating that sufficient opportunity was provided to the assessee by both the Ld. AO and the Ld. CIT (A). However, the assessee did not co-operate before them during the course of their proceedings. It was therefore pleaded that the orders of the ld. Revenue Authorities may be confirmed.

5. I have heard the rival submissions and carefully perused the materials on record. From the orders of the Ld. Revenue Authorities it is apparent that the Ld. Revenue Authorities had provided sufficient opportunities to the assessee for both the assessment years in order to establish the genuineness of the expenditure incurred. However, the assessee and its AR grossly failed to co-operate before the ld. Revenue Authorities during the course of their proceedings on the earlier occasion. Therefore, the arguments and prayer sought by the Ld. AR and the assessee is not appreciable. However, considering the activities of the assessee being a charitable institution engaged in the activities of rendering service to its members who are poor & downtrodden artisans, in the interest of justice, I hereby remit the matter back to the file of the

Ld. AO for both the AYs for de novo consideration with direction to the Ld. AO to admit any fresh evidence produced by the assessee and thereafter decide the matter in accordance with merit and law. At the same time, I also caution the assessee to promptly co-operate before the Ld. Revenue Authorities in their proceedings failing which they shall be at liberty to pass appropriate orders based on the materials before them.

6. Before parting, it is worthwhile to mention that this order is pronounced after 90 days of hearing the appeal, which is though against the usual norms, I find it appropriate, taking into consideration of the extra-ordinary situation in the light of the lock-down due to Covid-19 pandemic. While doing so, I have relied in the decision of Mumbai Bench of the Tribunal in the case of DCIT vs. JSW Ltd. In ITA No.6264/M/2018 and 6103/M/2018 for AY 2013-14 order dated 14th May 2020.

7. In the result, both the appeals of the assessee are allowed for statistical purposes as indicated herein above.

Pronounced in the open Court on 24th June, 2020.

Sd/-
(A. MOHAN ALANKAMONY)
ACCOUNTANT MEMBER

Hyderabad, Dated: 24th June, 2020.

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Copy to:-

- 1) Dwaraka Peoples Livelihoods Upliftment Society Dwarkaplus, D.No.4-1041, Kajor Road, Chittor, Chittor Dist.

- 2) Income Tax Officer, Exemptions Ward, Income Tax Office, Near SBI, Tilak Road Branch, K.T. Road, Tirupathi.
- 3) The CIT(A), Tirupati.
- 4) The CCIT, Vijayawada. (ii) CIT (Exemptions), Hyderabad.
- 5) The DR, ITAT, Hyderabad
- 6) Guard File